

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|   |   |            |
|---|---|------------|
| ELECTRONIC PURCHASED WATER ADJUSTMENT   | ) |            |
| FILING OF JESSAMINE-SOUTH ELKHORN WATER | ) | CASE NO.   |
| DISTRICT                                | ) | 2018-00139 |

ORDER

On May 3, 2018, Jessamine-South Elkhorn Water District (“Jessamine-South Elkhorn”) applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.<sup>1</sup>

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Jessamine-South Elkhorn purchases water from the Kentucky-American Water Company (“Kentucky-American”), the City of Nicholasville (“Nicholasville”) and the City of Wilmore (“Wilmore”).

2. Kentucky-American notified Jessamine-South Elkhorn that its wholesale rate would increase from \$4.486 per 1,000 gallons to \$4.503 per 1,000 gallons effective March 31, 2018.<sup>2</sup> Jessamine-South Elkhorn proposes to increase the water rates to its customers effective March 31, 2018, to reflect the increased cost of purchased water from Kentucky-American.

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<sup>1</sup> KRS 278.015; 807 KAR 5:068.

<sup>2</sup> TFS 2018-00088 (Ky. PSC filed March 1, 2018); the tariff was accepted for filing by the Commission by letter dated March 29, 2018.

3. Jessamine-South Elkhorn proposed a purchased water adjustment factor of \$0.02 per 1,000 gallons.

4. During the 12 months ended January 31, 2018, Jessamine-South Elkhorn purchased 231,059,444 gallons of water from Kentucky-American, 21,383,300 gallons of water from Nicholasville, and 17,440 gallons of water from Wilmore. During the same period, Jessamine-South Elkhorn sold 226,186,059 gallons of water. The increase in the cost of purchased water is \$ 3,298.01, resulting in a purchased water adjustment factor of \$0.02 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.02 per 1,000 gallons, as calculated in Appendix A to this Order, is fair, just, and reasonable and should be approved.

6. Jessamine-South Elkhorn proposed to increase water service rates to its customers effective March 31, 2018. The Commission notes that Jessamine-South Elkhorn's application does not comply with the requirements of KAR 5:068, Section 4.(2)(b). Pursuant to KAR 5:068, Section 8, the Commission shall grant a deviation from the requirements of KAR 5:068, Section 4.(2)(b) and shall allow the rates as set forth in Appendix B to this Order to go into effect on and after the date of this Order.

7. Jessamine-South Elkhorn's proposed rates, as set forth in Appendix B to this Order, are fair, just, and reasonable and should be approved for water service rendered by Jessamine-South Elkhorn on and after the date of this Order.

IT IS THEREFORE ORDERED that:

1. The rates proposed in the application by Jessamine-South Elkhorn are approved.

2. The purchased water adjustment factor of \$0.02 per 1,000 gallons is approved.
3. The proposed March 31, 2018 effective date is denied.
4. The rates as set forth in Appendix B to this Order are approved for water service rendered by Jessamine-South Elkhorn on and after the date of this Order.
5. Within 20 days of the date of this Order, Jessamine-South Elkhorn shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

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By the Commission

ENTERED  
MAY 18 2018  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2018-00139

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00139 DATED **MAY 18 2018**

|   | New Rate              | Base Rate                    |
|---|-----------------------|------------------------------|
| Kentucky-American<br>Purchases in Gallons | 231,059,444           | 231,059,444                  |
| Wholesale rate                            | <u>\$4. 503/1,000</u> | <u>\$4.486/1,000</u>         |
| Total                                     | \$1,040,460.68        | \$ 1,036,532.67              |
| City of Nicholasville                     | No Change             |                              |
| City of Wilmore                           | No Change             |                              |
| Increased water cost                      |                       | \$ 3,928.01                  |
| Increased water cost                      |                       | \$ 3,298.01                  |
| Divided by Gallons sold/1,000             |                       | <u>226,186,059</u>           |
| Purchased water adjustment factor         |                       | \$ 0.017 per 1,000 Gallons   |
|   |                       | or \$ 0.02 per 1,000 Gallons |

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2018-00139 DATED **MAY 18 2018**

The following rates and charges are prescribed for the customers in the area served by Jessamine-South Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### Monthly Water Rates

##### 5/8 – Inch Meter

|       |                |                        |
|-------|----------------|------------------------|
| First | 2,000 Gallons  | \$ 26.60 Minimum Bill  |
| Next  | 2,000 Gallons  | 7.65 Per 1,000 Gallons |
| Next  | 2,000 Gallons  | 7.55 Per 1,000 Gallons |
| Next  | 10,000 Gallons | 7.45 Per 1,000 Gallons |
| Next  | 8,000 Gallons  | 7.35 Per 1,000 Gallons |
| Over  | 24,000 Gallons | 7.25 Per 1,000 Gallons |

##### 1 – Inch Meter

|       |                |                        |
|-------|----------------|------------------------|
| First | 10,000 Gallons | \$ 86.80 Minimum Bill  |
| Next  | 6,000 Gallons  | 7.45 Per 1,000 Gallons |
| Next  | 8,000 Gallons  | 7.35 Per 1,000 Gallons |
| Over  | 24,000 Gallons | 7.25 Per 1,000 Gallons |

##### 2 – Inch Meter

|       |                |                        |
|-------|----------------|------------------------|
| First | 24,000 Gallons | \$ 190.30 Minimum Bill |
| Over  | 24,000 Gallons | 7.25 Per 1,000 Gallons |

\*Henry E. Smith  
Attorney  
Bruce E. Smith Law Offices, PLLC  
201 South Main Street  
Nicholasville, KENTUCKY 40356

\*Jessamine-South Elkhorn Water District  
802 S Main Street  
P. O. Box 731  
Nicholasville, KY 40356